

- **Governor's \$300.0 million Bonding Proposal**

- The Governor is recommending issuing \$300.0 million in bonds and depositing the proceeds into a Capital Bonding Account. The Account will be used to Fund projects associated with economic development and capital improvements. The Governor is using this funding source to appropriate \$146.5 million for capital projects and \$150.0 million for two economic development programs. The projects and programs are listed below:
 - Vision Iowa Grant Program: \$100.0 million
 - Cultural and Tourism Grant Program: \$50.0 million
 - Admin. Services – Major Facility Maintenance: \$62.0 million
 - Admin. Services – ADA Improvements: \$7.2 million
 - Admin. Services – Records/Property Bldg, Renovation: \$9.7 mil.
 - Corrections – Oakdale Expansion: \$23.4 million
 - Corrections – Davenport CBC Residential Facility: \$10.5 million
 - Iowa Public Television – Digital Conversion: \$18.3 million
 - Regents – Major Maintenance: \$15.4 million
- The Governor is proposing to use State Wagering Tax revenue for the repayment of the bonds. The first year's interest will be capitalized resulting in the first debt service payment becoming due in FY 2006. The estimated debt service on a \$300.0 million bond issue will total approximately \$24.0 million annually. The Governor's bonding recommendation is contingent upon the following:
 - The State prevailing in the lawsuit against the Racing Association of Central Iowa (RACI). The case is pending at the Iowa Supreme Court.
 - The State Wagering Tax rates are adjusted to generate sufficient revenues to pay the debt service.
- The Governor's infrastructure proposals do not include funding to continue the Capitol restoration.